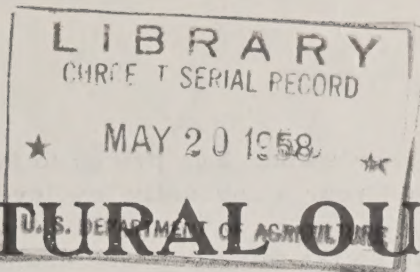


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

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Crop production this year is now expected to total only slightly below the record set in 1948 and reached again in 1956.

Prospects improved considerably during August for cotton, sorghum grain, corn and soybeans. Smaller increases were made by spring wheat, rice, hay, peanuts, tobacco, dry peas, sugar cane and sugar beets. These gains outweighed losses for flax, barley, oats, potatoes, fruits and vegetables.

Good weather has raised yields prospects considerably. For all crops combined, output per acre this year is expected to surpass the 1956 record. When the first estimate of 1957 crop production was made in early July, it appeared the total would be down as much as 7% from 1956.

Feed grain production this year is up a little from last year and about equal to the 1948 record. The sorghum grain crop is almost double the previous record set in 1955. Oats and barley production are up from last year. Corn production is below the high 1956 level but above average. Feed grain supplies for 1957-58 will be swelled by a record 48 million ton carryover, up 5 million tons from a year earlier.

Feed grain production this year exceeds probable use. Another increase in carry-over is likely by the end of the 1957-58 feeding year.

**FARM INCOME.** Net income of farm operators is continuing ahead of last year. Third quarter annual rate will be up half a billion dollars from a year earlier, according to estimates based on July and August figures. Cash receipts are a little higher and Government payments, largely Soil Bank, are larger and coming earlier than last year.

During the first half of this year, net income was at an annual rate of \$12.1 billion compared with \$11.8 in first half of 1956.

**LIVESTOCK.** Seasonal price declines are in prospect for most meat animals in the next 2 or 3 months. But prices are likely to stay above a year earlier since marketings, though increasing, will fall a little short of 1956 levels.

Increasing hog production is indicated by September reports from farmers. About 4% more sows are expected to farrow fall crop pigs in 10 Corn Belt States than in 1956...a slightly larger increase than was indicated last June. Higher pig production next spring also is likely since producers in the 10 States report plans for 7% more sows to farrow in December 1957-February 1958 than a year earlier.

**DAIRY.** Average prices and production of milk are both running a little ahead of last year. Most of the price gain is due to payment of premiums in several markets. Consumption of most dairy products is near last year's level with ice cream up slightly and fluid cream continuing to trend down.

**POULTRY AND EGGS.** Number of layers on farms at the end of the year probably will be about 5% below a year earlier. Eighteen percent fewer chicks were raised for flock replacement this year but farmers are likely to keep a larger percentage of pullets and hold more mature layers for a second year of production. Production will show a smaller decline than layers because of the upward trend in the rate of lay. . .decrease from a year



earlier probably will be 2 to 3% by the year's end. Egg prices to farmers in the next 6 to 8 months probably will average above last year's unusually low level.

Turkey marketings have been heavy so far this year and number remaining to be sold is probably smaller than in 1956. Storage stocks are biggest on record. Prices may strengthen the rest of 1957.

FATS AND OILS. Farmers are expected to harvest a record 459 million bushel soybean crop this year. Including carryover, the 1957-58 supply will be about 470 million bushels, 10 million more than last year. Cottonseed production, on the other hand, is likely to be down about 4% from last year.

Flaxseed prospects deteriorated sharply during August. Thirty-two million bushel crop now expected is a third below 1956 and the smallest since 1952. It is about equal to likely use in this country.

The peanut crop is about the same as last year's but well above U. S. requirements. A large part of the crop is likely to be acquired by CCC under the price support program.

FRUIT. Deciduous fruit production for 1957 is expected to be 2% below 1956 and 3% below average. Below average crops are likely for peaches, grapes, apricots, sweet cherries and prunes...above average for apples, pears, plums, and sour cherries.

WHEAT. The supply for 1957-58 totals 1,836 million bushels, about 200 million less than last year. It also is below 1955-56 and 1954-55 but above any preceding year.

VEGETABLES. Production of fall vegetables is down from 1956. Largest reduction is in cabbage, though carrots, celery, cauliflower and spinach also are off. The 1957 tonnage of 8 vegetables for commercial processing is 19% less than last year but 13% above average.

The 1957 fall potato crop is down 9% from last year and will meet less competition from summer production. Prices to growers...are likely to be above a year earlier the next few months.

COTTON. The supply for 1957-58 is expected to be about 23.9 million running bales... including a crop of 12.6 million, the August 1 carryover of 11.2 million and a small quantity of imports. The total is down 3.7 million bales from the 1956-57 record. Although disappearance also is likely to be down from 1956-57, mainly because exports will fall short of last season's high level, some further reduction in carryover is likely by the end of the 1957-58 season.

FLUE-CURED TOBACCO. The 1957 crop is a third below last year. Although carryover is up, total supply for 1957-58 is down 6% from the 1956-57 peak. Sales of the crop are well along the prices have been running above a year ago.